Transformative workforce management in healthcare: Three key trends

T The healthcare workforce landscape is changing rapidly. Labor costs continue to rise as a percentage of the operating budget. Hiring of clinical staff is becoming increasingly competitive. Millennials are moving into the workforce, bringing new expectations of work and life balance with them. And value-based payment models are changing the way healthcare providers need to deploy labor resources.

These changes are driving a new approach to workforce management in healthcare organizations. Traditionally, hospitals have viewed workforce management as operational, not strategic. Many hospitals have strategic programs in place for supply chain management and revenue cycle management, but few have implemented strategic programs around workforce management.

"Healthcare organizations need more than a way to schedule staff and track time and attendance," said Alan Bateman, healthcare industry strategy director, Infor. "They need a workforce management strategy that will help them optimize patient outcomes, improve employee satisfaction and maximize revenue."

According to Bateman, many organizations make the mistake of thinking that owning workforce management *technology* is the same as having a workforce management *program*. Using the right technology is critical. However, if that technology isn't deployed in the context of expected outcomes that align with industry trends, the return on investment will be underwhelming.

THREE KEY TRENDS

Three key trends are important to consider when a healthcare organization develops a workforce management program:

  1. The movement toward patient-centered care strategies
  2. The importance of engaging the right employees
  3. The role of business intelligence and analytics

Patient-centered healthcare means patient-centered workforce management

As healthcare moves to value-based revenue models, the industry has begun to renew its focus on patient-centered care. Value-based revenue models shift the emphasis of service delivery from the quantity of services provided to individual patient outcomes. It makes sense, then, that an organization's workforce management strategy should be patient-centered as well.

"Ideally, your workforce management approach will begin with the patient and what the individual care requirements are for each patient," said Bateman. Traditional workforce management systems calculate care needs by assigning acuity levels to patients based on broad diagnostic categories. The problem with this approach is it may not accurately capture the unique needs of each patient.

"Typical care classification systems do not adequately differentiate between individual patient care needs," said Danielle Miller, chief nursing officer, clinical applications, Infor. "Two patients with the same diagnosis may have completely different care requirements, even though the classification level may be the same. This leads to work assignments that don't align with patient needs."

A patient-centered workforce management solution addresses this problem by employing a methodology that doesn't rely on broad level-of-care classifications, but instead considers all of the needs of each patient. This may include the patient's diagnosis, treatments, medications, fluid requirements, vital sign monitoring requirements, psychosocial needs and safety considerations, among others. Analytic functionality enables the solution to compare this constellation of patient information to a clinical intervention database that correlates patient care needs with each variable. This allows the solution to precisely forecast direct care needs for each patient, enabling the organization to staff accordingly.

The importance of engaging the right employees

An effective healthcare workforce management program must consider not only the needs of the patient, but also the expectations of the workforce. Nurses comprise the largest segment of the healthcare workforce and nurses are in short supply. This means it's an employees' market in nursing, and the burden is on employers to create an environment that will attract and retain the right nurses and other staff.

In addition, the new generation of nurses brings a new set of expectations to the workplace. Millennials place a high priority on work and life balance; they expect input on work assignments; and they expect mobile access to technology tools. "If hospitals are going to remain competitive, they will have to adapt to the needs of the growing Millennial workforce, which means offering transparency, putting patients at the core of everything they do, and using technology to solve problems," said Miller.

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> *Healthcare Industry Strategy Director Infor*

Meeting these expectations will require healthcare organizations to reconsider top-down scheduling practices and implement technology that allows for greater employee input. The right workforce management system can enable these changes.

"More flexibility in scheduling leads to greater employee satisfaction," said Miller. To that end, it is important for workforce management solutions to facilitate transparency in scheduling. For example, a system might allow a nurse to log-in on his or her mobile device and identify preferred days to work over the next month. The nursing manager would use the patient-centered system, described above, to predict staffing needs, and match that to scheduling requests. This process doesn't guarantee each nurse will get exactly what he or she requests, but it does increase the organization's ability to respond to employee expectations without sacrificing patient care.

Analytics embedded in workforce management technology can enhance staffing and patient care alignment in many ways. A comprehensive workforce management system can:
• Align specific patient-care needs to specific provider abilities. For example, by identifying which nurses hold chemotherapy certification, the system can enable nursing managers to staff appropriately for a patient undergoing chemotherapy treatment. This also helps hospitals make certain all employees are working at the top of their licensure, rather than deploying highly skilled employees to do tasks that lower-skilled employees could perform.
• Facilitate rapid staffing in short-staffed situations. For example, if a nurse calls in sick, the system would identify qualified staff (PRN nurses, nurses not in overtime, nurses with skills that align to the unit requirements) and enable the nurse manager to send out simultaneous text messages requesting help, rather than wasting time calling one individual after another until the shift is filled.
• Ensure compliance with staffing policies. For example, the system can alert nurse managers when a particular assignment would push an individual into overtime, allowing the manager to make changes in staffing assignments before the overtime is incurred.

These capabilities support optimal patient care and enhance employee engagement and satisfaction. Increased employee satisfaction, in turn, can lead to better patient outcomes.

One example of how employee engagement directly impacts the bottom line is the patient discharge process. An inadequate patient discharge process can lead to early readmissions, directly impacting hospital revenue.

"An overworked, burned-out nurse may not be as thorough when discharging a patient as an engaged and satisfied nurse. This can lead to patients going home without a clear understanding of critical information about their hospitalization and their plan of care when they are at home. But if your nurses are generally working the shifts they prefer and experiencing equitable care assignments aligned with patient-care needs, they will do a better job," said Miller. "A happy nurse results in a happier patient."

The role of business intelligence in workforce management
As healthcare technology has become more sophisticated, the role of business intelligence (BI) in supporting organizational decision-making has expanded. Many healthcare providers understand the role of BI in supporting clinical decision-making, or managing the revenue cycle, but are less well-versed in the role BI can play in workforce management.

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"You might want to know how a particular team of people – whether it's a particular shift on a nursing unit, or a team of techs in radiology or in the O/R – are performing. How can we measure that? What is their impact on quality indicators? What is their impact on operational indicators?" said Bateman. "The ability to gather this type of highly granular business intelligence can help you run your hospital more cost-effectively."

Effective BI for workforce management integrates data from across multiple systems. This includes internal systems, such as the organization's electronic health record, and external systems, including clinical intervention benchmarking data and related resources. In addition, the system should also be able to present data in real time and in a usable format, such as a dashboard of key performance indicators. In order to make meaningful decisions about workforce management, decision-makers need to be able to have real-time data at their fingertips, and not have to wait for a report to be generated at some time in the future.

"All workforce management systems have reporting capabilities, but what managers really need is frontline labor management tools," said Bateman. "Managers do not want to have to go into an application and find the right report to run. The information has to be presented in a dynamic way: Which nurses are qualified to fill this shift? What are their particular certifications? What are the real-time cost and compliance implications of making one choice over another? This information helps managers make decisions that are good for the patient, good for the employee and good for the organization."

Good workforce management strategies make good financial sense

In today's healthcare industry, labor costs typically consume over 50 percent of the total operating budget. The sheer size of that cost makes it imperative that healthcare organizations deploy their workforce effectively.

"A good workforce management program can not only optimize the way you deploy your workforce, but also identify opportunities for cost savings," said Bateman. "Because the labor budget is so large to begin with, decreasing costs by even two percent can make a significant difference."

Ultimately, a good workforce management program can be transformative. "By leveraging workforce management technology, hospitals can improve patient outcomes, increase patient and employee satisfaction and provide care in a cost-effective manner," Miller concluded.

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